EMISSIONS SETTLEMENT AMENDMENTS
2017 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Timothy D. Hawkes
Senate Sponsor: Brian E. Shiozawa
LONG TITLE
General Description:
This bill enacts the Environmental Mitigation and Response Act and modifies vehicle
registration requirements.
Highlighted Provisions:
This bill:
• establishes the Environmental Mitigation and Response Act, including establishing
an expendable special revenue fund;
 states that the director of the Department of Environmental Quality may administer
the expendable special revenue fund;
 states that, in certain circumstances, vehicle registration may not be denied on the
basis of:
• a defeat device; or
 an Environmental Protection Agency-approved modification; and
makes technical changes.
Money Appropriated in this Bill:
None
Other Special Clauses:
None
Utah Code Sections Affected:
AMENDS:
19-1-202, as last amended by Laws of Utah 2009, Chapter 377
41-6a-1642, as last amended by Laws of Utah 2015, Chapter 258

ENACTS:
19-1-601, Utah Code Annotated 1953
19-1-602, Utah Code Annotated 1953
19-1-603, Utah Code Annotated 1953
19-1-604, Utah Code Annotated 1953
Be it enacted by the Legislature of the state of Utah:
Section 1. Section 19-1-202 is amended to read:
19-1-202. Duties and powers of the executive director.
(1) The executive director shall:
(a) administer and supervise the department;
(b) coordinate policies and program activities conducted through boards, divisions, and
offices of the department;
(c) approve the proposed budget of each board, division, and office within the
department;
(d) approve all applications for federal grants or assistance in support of any
department program;
(e) with the governor's specific, prior approval, expend funds appropriated by the
Legislature necessary for participation by the state in any fund, property, or service provided by
the federal government; and
(f) in accordance with Section 19-1-301, appoint one or more administrative law
judges to hear an adjudicative proceeding within the department.
(2) The executive director may:
(a) issue orders to enforce state laws and rules established by the department except
where the enforcement power is given to a board created under Section 19-1-106, unless the
executive director finds that a condition exists that creates a clear and present hazard to the
public health or the environment and requires immediate action, and if the enforcement power
is vested with a board created under Section 19-1-106, the executive director may with the

concurrence of the governor order any person causing or contributing to the condition to reduce, mitigate, or eliminate the condition;

- (b) with the approval of the governor, participate in the distribution, disbursement, or administration of any fund or service, advanced, offered, or contributed by the federal government for purposes consistent with the powers and duties of the department;
- (c) accept and receive funds and gifts available from private and public groups for the purposes of promoting and protecting the public health and the environment and expend the funds as appropriated by the Legislature;
- (d) make policies not inconsistent with law for the internal administration and government of the department, the conduct of its employees, and the custody, use, and preservation of the records, papers, books, documents, and property of the department;
- (e) create advisory committees as necessary to assist in carrying out the provisions of this title;
- (f) appoint division directors who may be removed at the will of the executive director and who shall be compensated in an amount fixed by the executive director;
- (g) advise, consult, and cooperate with other agencies of the state, the federal government, other states and interstate agencies, affected groups, political subdivisions, and industries in carrying out the purposes of this title;
- (h) consistent with Title 67, Chapter 19, Utah State Personnel Management Act, employ employees necessary to meet the requirements of this title;
- (i) authorize any employee or representative of the division to conduct inspections as permitted in this title;
- (j) encourage, participate in, or conduct any studies, investigations, research, and demonstrations relating to hazardous materials or substances releases necessary to meet the requirements of this title;
- (k) collect and disseminate information about hazardous materials or substances releases;
 - (1) review plans, specifications, or other data relating to hazardous substances releases

86	as provided in this title; [and]
87	(m) maintain, update not less than annually, and make available to the public a record
88	of sites, by name and location, at which response actions for the protection of the public health
89	and environment under Title 19, Chapter 6, Part 3, Hazardous Substances Mitigation Act, or
90	under Title 19, Chapter 8, Voluntary Cleanup Program, have been completed in the previous
91	calendar year, and those that the department plans to address in the upcoming year pursuant to
92	this title, including if upon completion of the response action the site:
93	(i) will be suitable for unrestricted use; or
94	(ii) will be suitable only for restricted use, stating the institutional controls identified in
95	the remedy to which use of the site is subject[-]; and
96	(n) for purposes of implementing environmental mitigation and response actions:
97	(i) accept and receive environmental mitigation and response funds from private and
98	public groups, including as a condition of a consent decree, settlement agreement, stipulated
99	agreement, or court order; and
100	(ii) administer the implementation of environmental mitigation and response actions in
101	accordance with the terms and conditions in which funds were received, including:
102	(A) disbursing funds to private or public entities, governmental units, state agencies, or
103	Native American tribes;
104	(B) expending funds to implement environmental mitigation and response actions; and
105	(C) returning unused funds to the original source of the funds as a condition of receipt
106	of the funds, if applicable.
107	Section 2. Section 19-1-601 is enacted to read:
108	CHAPTER 1. ENVIRONMENTAL MITIGATION AND RESPONSE ACT
109	<u>19-1-601.</u> Title.
110	This chapter is known as the "Environmental Mitigation and Response Act."
111	Section 3. Section 19-1-602 is enacted to read:
112	<u>19-1-602.</u> Definitions.
113	As used in this chapter:

114	(1) "Environmental mitigation" means an action or activity intended to remedy, reduce,
115	or offset known negative impacts to the environment.
116	(2) "Environmental response action" means action taken to prevent, eliminate,
117	minimize, investigate, monitor, clean up, or remove contaminants in the environment.
118	(3) "Financial assurance" means a mechanism or instrument intended to provide funds
119	if necessary to the department to conduct closure, monitoring, or cleanup of a specific facility
120	or site in accordance with the applicable environmental requirements provided in this title.
121	(4) "Funding source" means an individual or entity that provides a monetary
122	contribution to the Environmental Mitigation and Response Fund.
123	(5) "Natural resource damage" means damages to land, fish, wildlife, biota, air, water,
124	ground water, drinking water supplies, and other resources that are held in trust for the public
125	or otherwise controlled by the United States, the state, or local government.
126	(6) "Unused funds" means the remaining funds from a specific funding source
127	following the complete implementation of the environmental mitigation or response actions
128	pursuant to the terms and conditions of the contribution.
129	Section 4. Section 19-1-603 is enacted to read:
130	19-1-603. Environmental Mitigation and Response Fund.
131	(1) There is created an expendable special revenue fund known as the Environmental
132	Mitigation and Response Fund.
133	(2) The fund consists of:
134	(a) public and private funding sources made under Subsections (3) and (4);
135	(b) legally binding bankruptcy, financial assurance, or natural resource damage claim
136	settlements; and
137	(c) interest earnings on cash balances.
138	(3) The department may accept contributions for deposit into the fund from public and
139	private sources, including from a source as a condition of a consent decree, settlement
140	agreement, stipulated agreement, or court order.
141	(4) If funds are deposited as part of a consent decree, settlement agreement, stipulated

142	agreement, or court order, the source of the funding may specify terms and conditions in which
143	the funds may be used, in accordance with the consent decree, settlement agreement, stipulated
144	agreement, or court order.
145	(5) Unless mandated by court order, the department may refuse funds if the department
146	determines it is incapable of meeting the terms and conditions of the agreement to obtain the
147	funds, including covering the costs to administer the fund and oversee the implementation of
148	the specific mitigation or response action.
149	(6) The fund may account for assets held by the state for:
150	(a) an individual;
151	(b) a private or public entity;
152	(c) another governmental unit, including a local or federal agency;
153	(d) a state agency; or
154	(e) a Native American tribe.
155	Section 5. Section 19-1-604 is enacted to read:
156	19-1-604. Environmental mitigation.
156 157	19-1-604. Environmental mitigation.(1) The director shall administer the fund created in Section 19-1-603.
157	(1) The director shall administer the fund created in Section 19-1-603.
157 158	(1) The director shall administer the fund created in Section 19-1-603.(2) The director may:
157158159	 (1) The director shall administer the fund created in Section 19-1-603. (2) The director may: (a) disburse funds to an authorized individual or public, private, or governmental
157 158 159 160	(1) The director shall administer the fund created in Section 19-1-603. (2) The director may: (a) disburse funds to an authorized individual or public, private, or governmental entity, or Native American tribe to implement a specified environmental mitigation action in
157 158 159 160 161	(1) The director shall administer the fund created in Section 19-1-603. (2) The director may: (a) disburse funds to an authorized individual or public, private, or governmental entity, or Native American tribe to implement a specified environmental mitigation action in accordance with any terms and conditions associated with the funding source, as provided in
157 158 159 160 161 162	(1) The director shall administer the fund created in Section 19-1-603. (2) The director may: (a) disburse funds to an authorized individual or public, private, or governmental entity, or Native American tribe to implement a specified environmental mitigation action in accordance with any terms and conditions associated with the funding source, as provided in Subsection 19-1-603(4);
157 158 159 160 161 162 163	(1) The director shall administer the fund created in Section 19-1-603. (2) The director may: (a) disburse funds to an authorized individual or public, private, or governmental entity, or Native American tribe to implement a specified environmental mitigation action in accordance with any terms and conditions associated with the funding source, as provided in Subsection 19-1-603(4); (b) expend funds to implement certain environmental mitigation actions in accordance
157 158 159 160 161 162 163 164	(1) The director shall administer the fund created in Section 19-1-603. (2) The director may: (a) disburse funds to an authorized individual or public, private, or governmental entity, or Native American tribe to implement a specified environmental mitigation action in accordance with any terms and conditions associated with the funding source, as provided in Subsection 19-1-603(4); (b) expend funds to implement certain environmental mitigation actions in accordance with any terms and conditions associated with the funding source, as provided in Subsection
157 158 159 160 161 162 163 164 165	(1) The director shall administer the fund created in Section 19-1-603. (2) The director may: (a) disburse funds to an authorized individual or public, private, or governmental entity, or Native American tribe to implement a specified environmental mitigation action in accordance with any terms and conditions associated with the funding source, as provided in Subsection 19-1-603(4); (b) expend funds to implement certain environmental mitigation actions in accordance with any terms and conditions associated with the funding source, as provided in Subsection 19-1-603(4);
157 158 159 160 161 162 163 164 165 166	(1) The director shall administer the fund created in Section 19-1-603. (2) The director may: (a) disburse funds to an authorized individual or public, private, or governmental entity, or Native American tribe to implement a specified environmental mitigation action in accordance with any terms and conditions associated with the funding source, as provided in Subsection 19-1-603(4); (b) expend funds to implement certain environmental mitigation actions in accordance with any terms and conditions associated with the funding source, as provided in Subsection 19-1-603(4); (c) expend funds to implement an environmental response action or site closure, in

170	terms and conditions associated with the funds as provided in Subsection 19-1-603(4); and
171	(e) return unused funds to the funding source, if required under the terms and
172	conditions as provided in Subsection 19-1-603(4).
173	(3) For an environmental response action conducted pursuant to Subsection
174	19-1-604(2)(c), the director shall comply with applicable environmental cleanup standards
175	described in this title.
176	(4) If the director disburses funds to another state agency in accordance with
177	Subsection (2)(a), that agency may expend the funds in accordance with any terms and
178	conditions associated with the fund contributions as provided in Subsection 19-1-603(4),
179	including returning any unused funds to the department.
180	(5) Following the completion of an environmental mitigation and response action, any
181	excess funds not returned to the funding source as provided in Subsection 19-1-603(4) shall be
182	transferred to the Hazardous Substances Mitigation Fund, in accordance with Section
183	<u>19-6-307.</u>
184	Section 6. Section 41-6a-1642 is amended to read:
185	41-6a-1642. Emissions inspection County program.
	if our roll. Emissions inspection Country programs
186	(1) The legislative body of each county required under federal law to utilize a motor
186 187	
	(1) The legislative body of each county required under federal law to utilize a motor
187	(1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection
187 188	(1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality
187 188 189	(1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality standard shall require:
187 188 189 190	(1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality standard shall require: (a) a certificate of emissions inspection, a waiver, or other evidence the motor vehicle
187 188 189 190	(1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality standard shall require: (a) a certificate of emissions inspection, a waiver, or other evidence the motor vehicle is exempt from emissions inspection and maintenance program requirements be presented:
187 188 189 190 191	 (1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality standard shall require: (a) a certificate of emissions inspection, a waiver, or other evidence the motor vehicle is exempt from emissions inspection and maintenance program requirements be presented: (i) as a condition of registration or renewal of registration; and
187 188 189 190 191 192 193	 (1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality standard shall require: (a) a certificate of emissions inspection, a waiver, or other evidence the motor vehicle is exempt from emissions inspection and maintenance program requirements be presented: (i) as a condition of registration or renewal of registration; and (ii) at other times as the county legislative body may require to enforce inspection
187 188 189 190 191 192 193	(1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality standard shall require: (a) a certificate of emissions inspection, a waiver, or other evidence the motor vehicle is exempt from emissions inspection and maintenance program requirements be presented: (i) as a condition of registration or renewal of registration; and (ii) at other times as the county legislative body may require to enforce inspection requirements for individual motor vehicles, except that the county legislative body may not
187 188 189 190 191 192 193 194 195	 (1) The legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality standard shall require: (a) a certificate of emissions inspection, a waiver, or other evidence the motor vehicle is exempt from emissions inspection and maintenance program requirements be presented: (i) as a condition of registration or renewal of registration; and (ii) at other times as the county legislative body may require to enforce inspection requirements for individual motor vehicles, except that the county legislative body may not routinely require a certificate of emission inspection, or waiver of the certificate, more often

198	in the county and owned by or being used by a department, division, instrumentality, agency, or
199	employee of:
200	(i) the federal government;
201	(ii) the state and any of its agencies; or
202	(iii) a political subdivision of the state, including school districts.
203	(2) A vehicle owner subject to Subsection (1) shall obtain a motor vehicle emissions
204	inspection and maintenance program certificate of emissions inspection as described in
205	Subsection (1), but the program may not deny vehicle registration based solely on the presence
206	of a defeat device covered in the Volkswagen partial consent decrees or a United States
207	Environmental Protection Agency-approved vehicle modification in the following vehicles:
208	(a) a 2.0-liter diesel engine motor vehicle in which its lifetime nitrogen oxide
209	emissions are mitigated in the state pursuant to a partial consent decree, including:
210	(i) Volkswagen Jetta, model years 2009, 2010, 2011, 2012, 2013, 2014, and 2015;
211	(ii) Volkswagen Jetta Sportwagen, model years 2009, 2010, 2011, 2012, 2013, and
212	<u>2014;</u>
213	(iii) Volkswagen Golf, model years 2010, 2011, 2012, 2013, 2014, and 2015;
214	(iv) Volkswagen Golf Sportwagen, model year 2015;
215	(v) Volkswagen Passat, model years 2012, 2013, 2014, and 2015;
216	(vi) Volkswagen Beetle, model years 2013, 2014, and 2015;
217	(vii) Volkswagen Beetle Convertible, model years 2013, 2014, and 2015; and
218	(viii) Audi A3, model years 2010, 2011, 2012, 2013, and 2015; and
219	(b) a 3.0-liter diesel engine motor vehicle in which its lifetime nitrogen oxide
220	emissions are mitigated in the state to a settlement, including:
221	(i) Volkswagen Touareg, model years 2009, 2010, 2011, 2012, 2013, 2014, 2015, and
222	<u>2016;</u>
223	(ii) Audi Q7, model years 2009, 2010, 2011, 2012, 2013, 2014, 2015, and 2016;
224	(iii) Audi A6 Quattro, model years 2014, 2015, and 2016;
225	(iv) Audi A7 Ouattro, model years 2014, 2015, and 2016;

226	(v) Audi A8, model years 2014, 2015, and 2016;
227	(vi) Audi A8L, model years 2014, 2015, and 2016;
228	(vii) Audi Q5, model years 2014, 2015, and 2016; and
229	(viii) Porsche Cayenne Diesel, model years 2013, 2014, 2015, and 2016.
230	[(2)] (a) The legislative body of a county identified in Subsection (1), in
231	consultation with the Air Quality Board created under Section 19-1-106, shall make regulations
232	or ordinances regarding:
233	(i) emissions standards;
234	(ii) test procedures;
235	(iii) inspections stations;
236	(iv) repair requirements and dollar limits for correction of deficiencies; and
237	(v) certificates of emissions inspections.
238	(b) The regulations or ordinances shall:
239	(i) be made to attain or maintain ambient air quality standards in the county, consistent
240	with the state implementation plan and federal requirements;
241	(ii) may allow for a phase-in of the program by geographical area; and
242	(iii) be compliant with the analyzer design and certification requirements contained in
243	the state implementation plan prepared under Title 19, Chapter 2, Air Conservation Act.
244	(c) The county legislative body and the Air Quality Board shall give preference to an
245	inspection and maintenance program that is:
246	(i) decentralized, to the extent the decentralized program will attain and maintain
247	ambient air quality standards and meet federal requirements;
248	(ii) the most cost effective means to achieve and maintain the maximum benefit with
249	regard to ambient air quality standards and to meet federal air quality requirements as related to
250	vehicle emissions; and
251	(iii) providing a reasonable phase-out period for replacement of air pollution emission
252	testing equipment made obsolete by the program.
253	(d) The provisions of Subsection $[(2)]$ (3) (c)(iii) apply only to the extent the phase-out:

254	(i) may be accomplished in accordance with applicable federal requirements; and
255	(ii) does not otherwise interfere with the attainment and maintenance of ambient air
256	quality standards.
257	[(3)] (4) The following vehicles are exempt from the provisions of this section:
258	(a) an implement of husbandry;
259	(b) a motor vehicle that:
260	(i) meets the definition of a farm truck under Section 41-1a-102; and
261	(ii) has a gross vehicle weight rating of 12,001 pounds or more;
262	(c) a vintage vehicle as defined in Section 41-21-1;
263	(d) a custom vehicle as defined in Section 41-6a-1507; and
264	(e) to the extent allowed under the current federally approved state implementation
265	plan, in accordance with the federal Clean Air Act, 42 U.S.C. Sec. 7401, et seq., a motor
266	vehicle that is less than two years old on January 1 based on the age of the vehicle as
267	determined by the model year identified by the manufacturer.
268	[(4)] (a) The legislative body of a county identified in Subsection (1) shall exempt a
269	pickup truck, as defined in Section 41-1a-102, with a gross vehicle weight of 12,000 pounds or
270	less from the emission inspection requirements of this section, if the registered owner of the
271	pickup truck provides a signed statement to the legislative body stating the truck is used:
272	(i) by the owner or operator of a farm located on property that qualifies as land in
273	agricultural use under Sections 59-2-502 and 59-2-503; and
274	(ii) exclusively for the following purposes in operating the farm:
275	(A) for the transportation of farm products, including livestock and its products,
276	poultry and its products, floricultural and horticultural products; and
277	(B) in the transportation of farm supplies, including tile, fence, and every other thing or
278	commodity used in agricultural, floricultural, horticultural, livestock, and poultry production
279	and maintenance.
280	(b) The county shall provide to the registered owner who signs and submits a signed
281	statement under this section a certificate of exemption from emission inspection requirements

for purposes of registering the exempt vehicle.

[(5)] (6) (a) Subject to Subsection [(5)] (6)(c), the legislative body of each county required under federal law to utilize a motor vehicle emissions inspection and maintenance program or in which an emissions inspection and maintenance program is necessary to attain or maintain any national ambient air quality standard may require each college or university located in a county subject to this section to require its students and employees who park a motor vehicle not registered in a county subject to this section to provide proof of compliance with an emissions inspection accepted by the county legislative body if the motor vehicle is parked on the college or university campus or property.

- (b) College or university parking areas that are metered or for which payment is required per use are not subject to the requirements of this Subsection [(5)] (6).
- (c) The legislative body of a county shall make the reasons for implementing the provisions of this Subsection [(5)] (6) part of the record at the time that the county legislative body takes its official action to implement the provisions of this Subsection [(5)] (6).
- [(6)] (7) (a) An emissions inspection station shall issue a certificate of emissions inspection for each motor vehicle that meets the inspection and maintenance program requirements established in rules made under Subsection [(2)] (3).
- (b) The frequency of the emissions inspection shall be determined based on the age of the vehicle as determined by model year and shall be required annually subject to the provisions of Subsection [(6)] (7)(c).
- (c) (i) To the extent allowed under the current federally approved state implementation plan, in accordance with the federal Clean Air Act, 42 U.S.C. Sec. 7401 et seq., the legislative body of a county identified in Subsection (1) shall only require the emissions inspection every two years for each vehicle.
- (ii) The provisions of Subsection [(6)] (7)(c)(i) apply only to a vehicle that is less than six years old on January 1.
- (iii) For a county required to implement a new vehicle emissions inspection and maintenance program on or after December 1, 2012, under Subsection (1), but for which no

310 current federally approved state implementation plan exists, a vehicle shall be tested at a 311 frequency determined by the county legislative body, in consultation with the Air Quality 312 Board created under Section 19-1-106, that is necessary to comply with federal law or attain or 313 maintain any national ambient air quality standard. 314 (iv) If a county legislative body establishes or changes the frequency of a vehicle 315 emissions inspection and maintenance program under Subsection [(6)] (7)(c)(iii), the 316 establishment or change shall take effect on January 1 if the State Tax Commission receives 317 notice meeting the requirements of Subsection [(6)] (7)(c)(v) from the county prior to October 318 1. 319 (v) The notice described in Subsection [(6)] (7)(c)(iv) shall: (A) state that the county will establish or change the frequency of the vehicle emissions 320 321 inspection and maintenance program under this section; 322 (B) include a copy of the ordinance establishing or changing the frequency; and 323 (C) if the county establishes or changes the frequency under this section, state how 324 frequently the emissions testing will be required. 325 (d) If an emissions inspection is only required every two years for a vehicle under Subsection [(6)] (7)(c), the inspection shall be required for the vehicle in: 326 327 (i) odd-numbered years for vehicles with odd-numbered model years; or 328 (ii) in even-numbered years for vehicles with even-numbered model years. 329 [(7)] (8) The emissions inspection shall be required within the same time limit 330 applicable to a safety inspection under Section 41-1a-205. 331

[(8)] (9) (a) A county identified in Subsection (1) shall collect information about and monitor the program.

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- (b) A county identified in Subsection (1) shall supply this information to an appropriate legislative committee, as designated by the Legislative Management Committee, at times determined by the designated committee to identify program needs, including funding needs.
- [(9)] (10) If approved by the county legislative body, a county that had an established emissions inspection fee as of January 1, 2002, may increase the established fee that an

emissions inspections under Subsection [(6)] (7)(c) up to a \$7.50 increase.

[(10)] (11) (a) A county identified in Subsection (1) may impose a local emissions compliance fee on each motor vehicle registration within the county in accordance with the procedures and requirements of Section 41-1a-1223.

(b) A county that imposes a local emissions compliance fee shall use revenues

emissions inspection station may charge by \$2.50 for each year that is exempted from

generated from the fee for the establishment and enforcement of an emissions inspection and maintenance program in accordance with the requirements of this section.